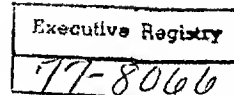




Washington, D.C. 20505



27 June 1977

Honorable John L. McClellan, Chairman
Committee on Appropriations
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

The House of Representatives in its action on the Fiscal Year 1978 Defense Appropriations bill (H.R. 7933) placed restrictions on availability of funds for obligation (section 860) and placed restrictions on the transferability of funds into the Reserve for Contingencies (section 861).

The provisions of section 860 which provide for specified periods of availability of obligational authority for Personnel, Operation and Maintenance activities, Research, Development, Test, and Evaluation, and Procurement activities will pose no problems for this Agency, as these accounts are presently obligated on an annual basis.

The CIA has no objection in principle to the restrictions in section 861 regarding the manner by which funds can be transferred into the Reserve for Contingencies. This position is predicated on the assumption that should such restrictions be placed on transfers into the Reserve, those restrictions would apply only to regular appropriated accounts, and unobligated balances in the Reserve at the end of each Fiscal Year would remain in the Reserve for an unspecified period and that funds withdrawn from the Reserve, but not expended would be available for transfer back to the Reserve.

Yours sincerely,

STANSFIELD TURNER

DET
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ER

EXECUTIVE REGISTRY FILE

Congress